

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 11/8/2016	(3) CONTACT/PHONE Ted Bench, Planner / (805) 781-5701	
(4) SUBJECT Submittal of a request to terminate the Inclusionary Housing Agreement for Parcel Map CO 09-0040 (Rolling Hills 2 Apartments / Peoples' Self-Help Housing Corporation). District 1.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors instruct the Chairperson to sign the attached Termination of Agreement To Provide Inclusionary Housing Units For Parcel Map CO 09-0040.			
(6) FUNDING SOURCE(S) Current Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts (Termination of Agreement) <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) District 1			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Ted Bench, Planner

VIA: Matt Janssen, Division Manager / Policies and Programs

DATE: 11/8/2016

SUBJECT: Submittal of a request to terminate the Inclusionary Housing Agreement for Parcel Map CO 09-0040 (Rolling Hills 2 Apartments / Peoples' Self-Help Housing Corporation). District 1.

RECOMMENDATION

It is recommended that the Board instruct the Chairperson to sign the attached Termination of Agreement To Provide Inclusionary Housing Units For Parcel Map CO 09-0040.

DISCUSSION

Summary

Peoples' Self-Help Housing Corp. ("PSHHC") has acquired a parcel that is encumbered by a recorded Inclusionary Housing Agreement. The Agreement requires that four inclusionary housing units shall be constructed on the parcel. PSHHC has also obtained approval to construct a 30 unit affordable apartment project on the parcel. In addition, the County has allocated \$1,476,548 in funds to assist PSHHC with construction of the 30 unit project. Both PSHHC and the County wish to terminate the Agreement and incorporate the inclusionary housing requirements into the County's loan documents.

This is a unique situation, where PSHHC has acquired a parcel with an inclusionary housing agreement on title. The County has provided funds to PSHHC to develop the parcel. Both the inclusionary housing agreement and the County loan documents have many similar or identical affordable housing requirements. Putting those requirements into a single document helps to avoid duplication.

Inclusionary Housing Agreement

On August 10, 2010, the County approved an AGREEMENT TO PROVIDE INCLUSIONARY HOUSING UNIT(S) which was recorded by the County Recorder as Document No. 2010039405. This Agreement encumbers Parcel 2 of CO 09-0040 and requires that four inclusionary housing units shall be constructed on the parcel. PSHHC has acquired Parcel 2. On February 24, 2014, PSHHC obtained County approval of Conditional Use Permit DRC 2012-00047, which allows the parcel to be developed with a thirty (30) unit affordable apartment project. In addition, the County has allocated \$1,476,548 funds to assist with the construction of the project. On July 22, 2016, the County and PSHHC executed the AGREEMENT REGARDING DEVELOPMENT OF REAL PROPERTY WITHIN THE COUNTY OF SAN LUIS OBISPO BY ROLLING HILLS II, L.P. ("Loan Agreement") by which the County committed the \$1,476,548 for the purpose of constructing the affordable apartment project. The Loan Agreement and the Inclusionary Housing Agreement have many similar or identical affordable housing requirements. PSHHC and the County desire to incorporate the requirements of the Inclusionary Housing Agreement into the Loan Agreement and then terminate the Inclusionary Housing Agreement. The attached Agreement Termination document will accomplish this task.

OTHER AGENCY INVOLVEMENT/IMPACT

The attached Agreement Termination document was prepared by County Counsel. County Counsel has approved the Agreement Termination document as to form and legal effect.

FINANCIAL CONSIDERATIONS

These actions do not affect the cost to the County for administering the inclusionary housing ordinances or affordable housing funds programs.

All County staff costs for administering the ordinance and funds programs are contained within the Planning and Building Department budget. Staff administration of federal HUD funds are also paid in part by the HUD funding programs.

BUSINESS IMPACT STATEMENT

The incorporation of the inclusionary housing requirements into the County's loan documents will not cause any adverse business impacts.

RESULTS

The intended result is to minimize duplication by combining the affordable housing requirements from two documents into one document.

Encouraging the provision of affordable housing helps the County to meet many of its county-wide goals, including the goal of creating more livable communities, providing employee housing to support business growth, and addressing the County's shortage of affordable housing.

ATTACHMENTS

1. Attachment 1 - Termination of Agreement To Provide Inclusionary Housing Units for Parcel Map CO 09-0040.
2. Attachment 2 – Amendment No. 1 to the Agreement Regarding Development of Real Property by Rolling Hills II, L.P. (the HOME Loan Agreement)
3. Attachment 3 - Agreement To Provide Inclusionary Housing Unit(s) - Document No. 2010039405